



## 2026 Tax Rate Updates

The following 2026 tax rates are based on Revenue Procedure 2025-32.

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## ***.01 Tax Rate Tables***

For taxable years beginning in 2026, the tax rate tables under § 1 are as follows:

TABLE 1 - Section 1(j)(2)(A) -Married Individuals Filing Joint Returns and Surviving Spouses

If Taxable Income Is:	The Tax Is:
Not over \$24,800	10% of the taxable income
Over \$24,800 but not over \$100,800	\$2,480 plus 12% of the excess over \$24,800
Over \$100,800 but not over \$211,400	\$11,600 plus 22% of the excess over \$100,800
Over \$211,400 but not over \$403,550	\$35,932 plus 24% of the excess over \$211,400
Over \$403,550 but not over \$512,450	\$82,048 plus 32% of the excess over \$403,550
Over \$512,450 but not over \$768,700	\$116,896 plus 35% of the excess over \$512,450
Over \$768,700	\$206,583.50 plus 37% of the excess over \$768,700

TABLE 2 - Section 1(j)(2)(B) - Heads of Households

If Taxable Income Is:	The Tax Is:
Not over \$17,700	10% of the taxable income
Over \$17,700 but not over \$67,450	\$1,770 plus 12% of the excess over \$17,700
Over \$67,450 but not over \$105,700	\$7,740 plus 22% of the excess over \$67,450
Over \$105,700 but not over \$201,750	\$16,155 plus 24% of the excess over \$105,700
Over \$201,750 but not over \$256,200	\$39,207 plus 32% of the excess over \$201,750
Over \$256,200 but not over \$640,600	\$56,631 plus 35% of the excess over \$256,200
Over \$640,600	\$191,171 plus 37% of the excess over \$640,600

TABLE 3 - Section 1(j)(2)(C) - Unmarried Individuals (other than Surviving Spouses and Heads of Households)

If Taxable Income Is:	The Tax Is:
Not over \$12,400	10% of the taxable income
Over \$12,400 but not over \$50,400	\$1,240 plus 12% of the excess over \$12,400

Over \$50,400 but not over \$105,700	\$5,800 plus 22% of the excess over \$50,400
Over \$105,700 but not over \$201,775	\$17,966 plus 24% of the excess over \$105,700
Over \$201,775 but not over \$256,225	\$41,024 plus 32% of the excess over \$201,775
Over \$256,2525 but not over \$640,600	\$58,448 plus 35% of the excess over \$256,225
Over \$640,600	\$192,979.25 plus 37% of the excess over \$640,600

TABLE 4 - Section 1(j)(2)(D) - Married Individuals Filing Separate Returns

If Taxable Income Is:	The Tax Is:
Not over \$12,400	10% of the taxable income
Over \$12,400 but not over \$50,400	\$1,240 plus 12% of the excess over \$12,400
Over \$50,400 but not over \$105,700	\$ 5,800 plus 22% of the excess over \$50,400
Over \$105,700 but not over \$201,775	\$17,996 plus 24% of the excess over \$105,700
Over \$201,775 but not over \$256,225	\$41,024 plus 32% of the excess over \$201,775
Over \$256,225 but not over \$384,350	\$58,448 plus 35% of the excess over \$256,225
Over \$384,350	\$103,291.75 plus 37% of the excess over \$384,350

TABLE 5 - Section 1(j)(2)(E) - Estates and Trusts

If Taxable Income Is:	The Tax Is:
Not over \$3,300	10% of the taxable income
Over \$3,300 but not over \$11,700	\$330 plus 24% of the excess over \$3,300
Over \$11,700 but not over \$16,000	\$2,346 plus 35% of the excess over \$11,700
Over \$16,000	\$3,851 plus 37% of the excess over \$16,000

## **.02. Unearned Income of Minor Children Subject to the “Kiddie Tax”.**

For taxable years beginning in 2026, the amount in § 1(g)(4)(A)(ii)(I), which is used to reduce the net unearned income reported on the child's return that is subject to the "kiddie tax," is \$1,350. This \$1,350 amount is the same as the amount provided in § 63(c)(5)(A), as adjusted for inflation. The same \$1,350 amount is used for purposes of § 1(g)(7) to determine whether a parent may elect to include a child's gross income in the parent's gross income and to calculate the "kiddie tax." For example, one of the requirements for the parental election is that a child's gross income is more than the amount referenced in § 1(g)(4)(A)(ii)(I) but less than 10 times that amount; thus, a child's gross income for 2026 must be more than \$1,350 but less than \$13,500.

### ***.03 Maximum Capital Gains Rate (Section 1(h), Section 1(j)(5)).***

For taxable years beginning in 2026, the maximum zero rate amounts and maximum 15 percent rate amounts under Section 1(j)(5)(B), as adjusted for inflation, are as follows:

Filing Status	Maximum Zero Rate Amount	Maximum 15% Rate Amount
Married Individuals Filing Joint Returns and Surviving Spouse	\$98,900	\$613,700
Married Individuals Filing Separate Returns	\$49,450	\$306,850
Heads of Household	\$66,200	\$579,600
All Other Individuals	\$49,450	\$545,500
Estates and Trusts	\$3,300	\$16,250

### ***.04 Adoption Credit.***

- (1) Adoption Credit for Children with Special needs. For taxable years beginning in 2026, under Section 23(a)(3) the credit allowed for an adoption of a child with special needs is \$17,670.
- (2) Adoption Credit Limitation. For taxable years beginning in 2026, under Section 23(b)(1) the maximum credit allowed for other adoptions is the amount of qualified adoption expenses up to \$17,670. The available adoption credit begins to phase out under Section 23(b)(2)(A) for taxpayers with modified adjusted gross income in excess of \$265,080 and is completely phased out for taxpayers with modified adjusted gross income of \$305,080 or more.
- (3) Refundable portion. For taxable years beginning in 2026, the amount used in Section 23(a)(4) to determine the amount of the credit under Section 23 that may be refundable is \$5,120.

## **.05 Child Tax Credit.**

- (1) Maximum amount of the credit. For taxable years beginning in 2026, the maximum amount of the credit allowed under Section 24 is \$2,200.
- (2) Refundable portion. For taxable years beginning in 2026, the amount used in Section 24(d)(1)(A) to determine the amount of credit under Section 24 that may be refundable is \$1,700.

## **.06 Earned Income Credit.**

- (1) In general. For taxable years beginning in 2026, the following amounts are used to determine the earned income credit under Section 32(b). The "earned income amount" is the amount of earned income at or above which the maximum amount of the earned income credit is allowed. The "threshold phaseout amount" is the amount of adjusted gross income (or, if greater, earned income) above which the maximum amount of the credit begins to phase out. The "completed phaseout amount" is the amount of adjusted gross income (or, if greater, earned income) at or above which no credit is allowed. The threshold phaseout amounts and the completed phaseout amounts shown in the table below for married taxpayers filing a joint return include the increase provided in Section 32(b)(2)(B), as adjusted for inflation for taxable years beginning in 2026. The threshold phaseout amounts and the completed phaseout amounts shown in the table below for taxpayers with all other filing statuses also apply to married taxpayers who are not filing a joint return and satisfy the special rules for separated spouses in Section 32(d).

Item	One	Two	Three or More	None
Earned Income Amount	\$13,020	\$18,290	\$18,290	\$8,680
Maximum Amount of Credit	\$4,427	\$7,316	\$8,231	\$664
Threshold Phaseout Amount (Married Filing Jointly)	\$31,160	\$31,160	\$31,160	\$18,140
Completed Phaseout Amount (Married Filing Jointly)	\$58,863	\$65,899	\$70,224	\$26,820
Threshold Phaseout Amount (All other filing statuses)	\$23,890	\$23,890	\$23,890	\$10,860
Completed Phaseout Amount (All other filing statuses)	\$51,593	\$58,629	\$62,974	\$19,540

The instructions for the Form 1040 series provide tables showing the amount of the earned income credit for each type of taxpayer.

- (2) Excessive Investment Income. For taxable years beginning in 2026, the earned income tax credit is not allowed under Section 32(i) if the aggregate amount of certain investment income exceeds \$12,200.

### ***.07 Rehabilitation Expenditures Treated as Separate New Building.***

For calendar year 2026, the per low-income unit qualified basis amount under Section 42(e)(3)(A)(ii)(II) is \$8,700.

### ***.08 Low-Income Housing Credit.***

For calendar year 2026, the amount used under Section 42(h)(3)(C)(ii) to calculate the State housing credit ceiling for the low-income housing credit is the greater of (1) \$3.05 multiplied by the State population, or (2) \$3,530,000.

### ***.09 Employee Health Insurance Expense of Small Employers.***

For taxable years beginning in 2026, the dollar amount in effect under Section 45R(d)(3)(B) is \$34,100. This amount is used under Section 45R(c) for limiting the small employer health insurance credit and under Section 45R(d)(1)(B) for determining who is an eligible small employer for purposes of the credit.

### ***.10 Exemption Amounts for Alternative Minimum Tax.***

For taxable years beginning in 2026, the exemption amounts under Section 55(d)(1) are:

Joint Returns or Surviving Spouses	\$140,200
Unmarried Individuals (other than Surviving Spouses)	\$90,100
Married Individuals Filing Separate Returns	\$70,100
Estates and Trusts	\$31,400

For taxable years beginning in 2026, under Section 55(b)(1), the excess taxable income above which the 28 percent tax rate applies is:

Married Individuals Filing Separate Returns	\$122,250
All Other Taxpayers	\$244,500

For taxable years beginning in 2026, the amounts used under Section 55(d)(2) to determine the phaseout of the exemption amounts are:

	Threshold Phaseout Amount	Complete Phaseout Amount
Joint Returns or Surviving Spouses	\$1,000,000	\$1,280,400
Unmarried Individuals (other than Surviving Spouses)	\$500,000	\$680,200
Married Individuals Filing Separate Returns	\$500,000	\$640,200
Estates and Trusts	\$104,800	\$167,600

### ***.11 Alternative Minimum Tax Exemption for a Child Subject to the “Kiddie Tax.”***

For taxable years beginning in 2026, for a child to whom the Section 1(g) “kiddie tax” applies, the exemption amount under Sections 55(d) and 59(j) for purposes of the alternative minimum tax under Section 55 may not exceed the sum of (1) the child's earned income for the taxable year, plus (2) \$9,750.

### ***.12 Certain Expenses of Elementary and Secondary School Teachers.***

For taxable years beginning in 2026, under Section 62(a)(2)(D) the amount of the deduction allowed under Section 162 that consists of expenses paid or incurred by an eligible educator in connection with books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by the eligible educator in the classroom is \$350.

### ***.13 Transportation Mainline Pipeline Construction Industry Optional Expense Substantiation Rules for Payments to Employees Under Accountable Plans.***

For calendar year 2026, an eligible employer may pay certain welders and heavy equipment mechanics an amount up to \$23 per hour for rig-related expenses that are deemed substantiated under an accountable plan if paid in accordance with Rev. Proc. 2002-41, 2002-1 C.B. 1098. If the employer provides fuel or otherwise reimburses fuel expenses, an amount up to \$14 per hour is deemed substantiated if paid under Rev. Proc. 2002-41.

### ***.14 Standard Deduction.***

- (1) In general. For taxable years beginning in 2026, the standard deduction amounts under § 63(c)(2) are as follows:

Filing Status	Standard Deduction
Married Individuals Filing Joint Returns and Surviving Spouses (Section 1(j)(2)(A))	\$32,200
Heads of Households (Section 1(j)(2)(B))	\$24,150
Unmarried Individuals (other than Surviving Spouses and Heads of Households) (Section 1(j)(2)(C))	\$16,100
Married Individuals Filing Separate Returns (Section 1(j)(2)(D))	\$16,100

- (2) Dependent. For taxable years beginning in 2026, the standard deduction amount under Section 63(c)(5) for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of (1) \$1,350, or (2) the sum of \$450 and the individual's earned income.
- (3) Aged or blind. For taxable years beginning in 2026, the additional standard deduction amount under Section 63(f) for the aged or the blind is \$1,650. The additional standard deduction amount is increased to \$2,050 if the individual is also unmarried and not a surviving spouse.

### ***.15 Cafeteria Plans.***

For taxable years beginning in 2026, the dollar limitation under Section 125(i) on voluntary employee salary reductions for contributions to health flexible spending arrangements is \$3,400. If the cafeteria plan permits the carryover of unused amounts, the maximum carryover amount is \$680.

### ***.16 Qualified Transportation Fringe Benefit.***

For taxable years beginning in 2026, the monthly limitation under Section 132(f)(2)(A) regarding the aggregate fringe benefit exclusion amount for transportation in a commuter highway vehicle and any transit pass is \$340. The monthly limitation under Section 132(f)(2)(B) regarding the fringe benefit exclusion amount for qualified parking is \$340.

### ***.17 Income from United States Savings Bonds for Taxpayers Who Pay Qualified Higher Education Expenses.***

For taxable years beginning in 2026, the exclusion under § 135, regarding income from United States savings bonds for taxpayers who pay qualified higher education expenses, begins to phase out for modified adjusted gross income above \$152,650 for joint returns and \$101,800 for all other returns. The exclusion is completely phased out

for modified adjusted gross income of \$182,650 or more for joint returns and \$116,800 or more for all other returns.

### ***.18 Adoption Assistance Programs.***

For taxable years beginning in 2026, under Section 137(a)(2), the amount that can be excluded from an employee's gross income for the adoption of a child with special needs is \$17,670. For taxable years beginning in 2026, under Section 137(b)(1) the maximum amount that can be excluded from an employee's gross income for the amounts paid or expenses incurred by an employer for qualified adoption expenses furnished pursuant to an adoption assistance program for adoptions by the employee is \$17,670. The amount excludable from an employee's gross income begins to phase out under Section 137(b)(2)(A) for taxpayers with modified adjusted gross income in excess of \$265,080 and is completely phased out for taxpayers with modified adjusted gross income of \$305,080 or more.

### ***.19 Private Activity Bonds Volume Cap.***

For calendar year 2026, the amounts used under Section 146(d) to calculate the State ceiling for the volume cap for private activity bonds is the greater of (1) \$135 multiplied by the State population, or (2) \$397,625,000.

### ***.20 Loan Limits on Agricultural Bonds.***

For calendar year 2026, the loan limit amount on agricultural bonds under Section 147(c)(2)(A) for first-time farmers is \$682,700.

### ***.21 General Arbitrage Rebate Rules.***

For bond years ending in 2026, the amount of the computation credit determined under Section 1.148-3(d)(4) of the Income Tax Regulations is \$2,170.

### ***.22 Safe Harbor Rules for Broker Commissions on Guaranteed Investment Contracts or Investments Purchased for a Yield Restricted Defeasance Escrow.***

For calendar year 2026, under Section 1.148-5(e)(2)(iii)(B)(1) of the Income Tax Regulations, a broker's commission or similar fee for the acquisition of a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow is reasonable if (1) the amount of the fee that the issuer treats as a qualified administrative cost does not exceed the lesser of (A) \$51,000, and (B) 0.2 percent of the computational base (as

defined in Section 1.148-5(e)(2)(iii)(B)(2)) or, if more, \$5,000; and (2) for any issue, the issuer does not treat more than \$145,000 in brokers' commissions or similar fees as qualified administrative costs for all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with gross proceeds of the issue.

### ***.23 Gross Income Limitation for a Qualifying Relative.***

For taxable years beginning in 2026, the exemption amount referenced in Section 152(d)(1)(B) is \$5,300.

### ***.24 Election to Expense Certain Depreciable Assets.***

For taxable years beginning in 2026, under Section 179(b)(1), the aggregate cost of any Section 179 property that a taxpayer elects to treat as an expense cannot exceed \$2,560,000 and under Section 179(b)(5)(A), the cost of any sport utility vehicle that may be taken into account under Section 179 cannot exceed \$32,000. Under Section 179(b)(2), the \$2,560,000 limitation under Section 179(b)(1) is reduced (but not below zero) by the amount by which the cost of Section 179 property placed in service during the 2026 taxable year exceeds \$4,090,000.

### ***.25 Energy Efficient Commercial Buildings Deduction.***

For taxable years beginning in 2026, the applicable dollar value used to determine the maximum allowance of the deduction under Section 179D(b)(2) is \$0.59 increased (but not above \$1.19) by \$0.02 for each percentage point by which the total annual energy and power costs for the buildings are certified to be reduced by a percentage greater than 25 percent. For taxable years beginning in 2026, the applicable dollar value used to determine the increased deduction amount for certain property under Section 179D(b)(3) is \$2.97 increased (but not above \$5.94) by \$0.12 for each percentage point by which the total annual energy and power costs for the building are certified to be reduced by a percentage greater than 25 percent.

### ***.26 Qualified Business Income.***

For taxable years beginning in 2026, the threshold amounts under Section 199A(e)(2) and phase-in range amounts under Section 199A(b)(3)(B) and Section 199A(d)(3)(A) are:

Filing Status	Threshold amount	Phase-in range amount
Married Individuals Filing Joint Returns	\$403,500	\$553,500
Married Individuals Filing Separate Returns	\$201,775	\$276,775
All Other Returns	\$201,750	\$276,750

## ***.27 Eligible Long-Term Care Premiums.***

For taxable years beginning in 2026, the limitations under Section 213(d)(10), regarding eligible long-term care premiums includible in the term “medical care”, as adjusted for inflation, are as follows:

Attained Age Before the Close of the Taxable Year	Limitation on Premiums
40 or less	\$500
More than 40 but not more than 50	\$930
More than 50 but not more than 60	\$1,860
More than 60 but not more than 70	\$4,960
More than 70	\$6,200

## ***.28 Medical Savings Accounts.***

- (1) Self-only coverage. For taxable years beginning in 2026, the term “high deductible health plan” as defined in Section 220(c)(2)(A) means, for self-only coverage, a health plan that has an annual deductible that is not less than \$2,900 and not more than \$4,400, and under which the annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed \$5,850.
- (2) Family coverage. For taxable years beginning in 2026, the term “high-deductible health plan” means, for family coverage, a health plan that has an annual deductible that is not less than \$5,850 and not more than \$8,750, and under which the annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed \$10,700.

## ***.29 Interest on Education Loans.***

For taxable years beginning in 2026, the \$2,500 maximum deduction for interest paid on qualified education loans under Section 221 begins to phase out under Section 221(b)(2)(B), as adjusted for inflation, for taxpayers with modified adjusted gross income in excess of \$85,000 (\$175,000 for joint returns), and is completely phased out for taxpayers with modified adjusted gross income of \$100,000 or more (\$205,000 or more for joint returns).

### ***.30. Limitation on Use of Cash Method of Accounting.***

For taxable years beginning in 2026, a corporation or partnership meets the gross receipts test of Section 448(c) for any taxable year if the average annual gross receipts of such entity for the 3-taxable-year period ending with the taxable year which precedes such taxable year does not exceed \$32,000,000.

### ***.31 Threshold for Excess Business Loss.***

For taxable years beginning in 2026, in determining a taxpayer's excess business loss, the amount under Section 461(l)(3)(A)(ii)(II) is \$256,000 (\$512,000 for joint returns).

### ***.32 Treatment of Dues Paid to Agricultural or Horticultural Organizations.***

For taxable years beginning in 2026, the limitation under Section 512(d)(1), regarding the exemption of annual dues required to be paid by a member to an agricultural or horticultural organization, is \$212.

### ***.33 Insubstantial Benefit Limitations for Contributions Associated with Charitable Fund-Raising Campaigns.***

- (1) Low cost article. For taxable years beginning in 2026, for purposes of defining the term "unrelated trade or business" for certain exempt organizations under Section 513(h)(2), "low cost articles" are articles costing \$13.90 or less.
- (2) Other insubstantial benefits. For taxable years beginning in 2026, under Section 170, the \$5, \$25, and \$50 guidelines in section 3 of Rev. Proc. 90-12, 1990-1 C.B. 471 (as amplified by Rev. Proc. 92-49, 1992-1 C.B. 987, and modified by Rev. Proc. 92-102, 1992-2 C.B. 579), for the value of insubstantial benefits that may be received by a donor in return for a contribution, without causing the contribution to fail to be fully deductible, are \$13.90, \$69.50 and \$139, respectively.

### ***.34 Aggregate Limitation on Contributions to ABLE Accounts.***

For taxable years beginning 2026, \$20,000 is included in the aggregate limitation on contributions to ABLE accounts under Section 529A(b)(2)(B)(i).

### ***.35 Special Rules for Credits and Deductions.***

For taxable years beginning in 2026, the amount of the deduction under Section 642(b)(2)(C)(i) is \$5,300.

### ***.36 Tax on Insurance Companies Other than Life Insurance Companies.***

For taxable years beginning in 2026, under Section 831(b)(2)(A)(i) the amount of the limit on net written premiums or direct written premiums (whichever is greater) is \$2,900,000 to elect the alternative tax for certain small companies under Section 831(b)(1) to be taxed only on taxable investment income.

### ***.37 Expatriation to Avoid Tax.***

For calendar year 2026, under Section 877A(g)(1)(A), unless an exception under Section 877A(g)(1)(B) applies, an individual is a covered expatriate if the individual's "average annual net income tax" under Section 877(a)(2)(A) for the five taxable years ending before the expatriation date is more than \$211,000.

### ***.38 Tax Responsibilities of Expatriation.***

For taxable years beginning in 2026, the amount that would be includible in the gross income of a covered expatriate by reason of Section 877A(a)(1) is reduced (but not below zero) by \$910,000 pursuant to Section 877A(a)(3).

### ***.39 Foreign Earned Income Exclusion.***

For taxable years beginning in 2026, the foreign earned income exclusion amount under Section 911(b)(2)(D)(i) is \$132,900.

#### ***.40 Debt Instruments Arising Out of Sales or Exchanges.***

For calendar year 2026, a qualified debt instrument under Section 1274A(b) has stated principal that does not exceed \$7,462,600, and a cash method debt instrument under Section 1274A(c)(2) has stated principal that does not exceed \$5,330,500.

#### ***.41 Limitation on Aggregate Decrease in Value of Qualified Real Property in Decedent's Gross Estate.***

For an estate of a decedent dying in calendar year 2026, if the executor elects to use the special use valuation method under Section 2032A for qualified real property, the aggregate decrease in the value of qualified real property resulting from electing to use Section 2032A for purposes of the estate tax cannot exceed \$1,460,000.

#### ***.42 Annual Exclusion for Gifts and Annual Exception for Covered Gifts and Covered Bequests Received from a Covered Expatriate.***

- (1) For calendar year 2026, the first \$19,000 of gifts to any person (other than gifts of future interests in property) are not included in the total amount of taxable gifts under Section 2503 made during that year.
- (2) For calendar year 2026, the first \$194,000 of gifts to a spouse who is not a citizen of the United States (other than gifts of future interests in property) are not included in the total amount of taxable gifts under Sections 2503 and 2523(i)(2) made during that year.
- (3) The tax imposed under Section 2801 on the receipt of covered gifts or covered bequests from a covered expatriate shall apply only to the extent that the value of covered gifts and covered bequests received during calendar year 2026 exceeds \$19,000.

### ***.43 Tax on Arrow Shafts.***

For calendar year 2026, the tax imposed under Section 4161(b)(2)(A) on the first sale by the manufacturer, producer, or importer of any shaft of a type used in the manufacture of certain arrows is \$0.65 per shaft.

### ***.44 Passenger Air Transportation Excise Tax.***

For calendar year 2026, the tax under Section 4261(b)(1) on the amount paid for each domestic segment of taxable air transportation is \$5.30. For calendar year 2026, the tax under Section 4261(c)(1) on any amount paid (whether within or without the United States) for any international air transportation, if the transportation begins or ends in the United States, generally is \$23.40. Under Section 4261(c)(3), however, a lower rate of tax applies under Section 4261(c)(1) to a domestic segment beginning or ending in Alaska or Hawaii, and the tax applies only to departures. For calendar year 2024, the rate of tax is \$11.70.

### ***.45 Tax on Certain Uses of Crude Oil and Petroleum Products.***

For calendar year 2026, the tax imposed under Section 4611(a) on crude oil received at a United States refinery and petroleum products entered into the United States for consumption, use, or warehousing is \$0.27 cents per barrel.

### ***.46 Reporting Exception for Certain Exempt Organizations with Nondeductible Lobbying Expenditures.***

For taxable years beginning in 2026, the annual per person, family, or entity dues limitation to qualify for the reporting exception under Section 6033(e)(3) (and Section 5.05 of Rev. Proc. 98-19, 1998-1 C.B. 547), regarding certain exempt organizations with nondeductible lobbying expenditures, is \$147.00 or less.

### ***.47 Notice of Large Gifts Received from Foreign Persons.***

For taxable years beginning in 2026, Section 6039F authorizes the Secretary of the Treasury or her delegate to require recipients of gifts from certain foreign persons to report these gifts if the aggregate value of gifts received in the taxable year exceeds \$20,573.

### ***.48 Persons Against Whom a Federal Tax Lien Is Not Valid.***

For calendar year 2026, a federal tax lien is not valid against (1) certain purchasers under Section 6323(b)(4) who purchased personal property in a casual sale for less than \$2,000, or (2) a mechanic's lienor under Section 6323(b)(7) who repaired or improved certain residential property if the contract price with the owner is not more than \$10,010.

### ***.49 Property Exempt from Levy.***

For calendar year 2026, the value of property exempt from levy under Section 6334(a)(2) (fuel, provisions, furniture, and other household personal effects, as well as arms for personal use, livestock, and poultry) cannot exceed \$11,980. The value of property exempt from levy under Section 6334(a)(3) (books and tools necessary for the trade, business, or profession of the taxpayer) cannot exceed \$5,990.

### ***.50 Exempt Amount of Wages, Salary, or Other Income.***

For taxable years beginning in 2026, the dollar amount used to calculate the amount determined under Section 6334(d)(4)(B) is \$5,300.

### ***.51 Interest on a Certain Portion of the Estate Tax Payable in Installments.***

For an estate of a decedent dying in calendar year 2026, the dollar amount used to determine the "2- percent portion" (for purposes of calculating interest under Section 6601(j)) of the estate tax extended as provided in Section 6166 is \$1,940,000.

### ***.52 Failure to File Tax Return.***

In the case of any return required to be filed in 2027, the amount of the addition to tax under Section 6651(a) for failure to file an income tax return within 60 days of the due date of such return (determined with regard to any extensions of time for filing) will not be less than the lesser of \$535 or 100 percent of the amount required to be shown as tax on such return.

### **.53 Failure to File Certain Information Returns, Registration Statements, etc.**

For returns required to be filed in 2027, the penalty amounts under Section 6652(c) are:

- (1) for failure to file a return required under Section 6033(a)(1) (relating to returns by exempt organization) or Section 6012(a)(6) (relating to returns by political organizations):

Scenario	Daily Penalty	Maximum Penalty
Organization (Section 6652(c)(1)(A))	\$25	Lesser of \$13,000 or 5% of gross receipts of the organization for the year.
Organization with gross receipts exceeding \$1,339,500 (Section 6652(c)(1)(A))	\$130	\$66,500
Managers (Section 6652(c)(1)(B))	\$10	\$6,500
Public inspection of annual returns and reports (Section 6652(c)(1)(C))	\$25	\$13,000
Public inspection of applications for exemption and notice of status (Section 6652(c)(1)(D))	\$25	No Limit

- (2) for failure to file a return required under Section 6034 (relating to returns by certain trust) or Section 6043(b) (relating to terminations, etc., of exempt organizations):

Scenario	Daily Penalty	Maximum Penalty
Organization or trust (Section 6652(c)(2)(A))	\$10	\$6,500
Managers (Section 6652(c)(2)(B))	\$10	\$6,500
Split-Interest Trust (Section 6652(c)(2)(C)(ii))	\$25	\$13,000
Any trust with gross income exceeding \$334,500 (Section 6652(c)(2)(C)(ii))	\$130	\$66,500

- (3) for failure to file a disclosure required under Section 6033(a)(2):

Scenario	Daily Penalty	Maximum Penalty
Tax-exempt entity (Section 6652(c)(3)(A))	\$130	\$66,500
Failure to comply with written demand (Section 6652(c)(3)(B)(ii))	\$130	\$13,000

### ***.54 Other Assessable Penalties With Respect to the Preparation of Tax Returns for Other Persons.***

In the case of any failure relating to a return or claim for refund filed in 2027, the penalty amounts under Section 6695 are:

Scenario	Per Return or Claim for Refund	Maximum Penalty
Failure to furnish copy to taxpayer (Section 6695(a))	\$65	\$33,000
Failure to sign return (Section 6695(b))	\$65	\$33,000
Failure to furnish identifying number (Section 6695(c))	\$65	\$33,000
Failure to retain copy or list (Section 6695(d))	\$65	\$33,000
Failure to file correct information returns (Section 6695(e))	\$65 per return and item in return	\$33,000
Negotiation of check (Section 6695(f))	\$665 per check	No limit
Failure to be diligent in determining eligibility for head of household filing status, child tax credit, American Opportunity tax credit, and earned income credit (Section 6695(g))	\$665 per failure	No limit

### ***.55 Failure to File Partnership Return.***

In the case of any return required to be filed in 2027, the dollar amount used to determine the amount of the penalty under Section 6698(b)(1) is \$260.

### ***.56 Failure to File S Corporation Return.***

In the case of any return required to be filed in 2027, the dollar amount used to determine the amount of the penalty under Section 6699(b)(1) is \$260.

### **.57 Failure to File Correct Information Returns.**

In the case of any failure relating to a return required to be filed in 2027, the penalty amounts under § 6721 are:

- (1) for persons with average annual gross receipts for the most recent three taxable years of more than \$5,000,000, for failure to file correct information returns:

Scenario	Penalty Per Return	Calendar Year Maximum
General Rule (Section 6721(a)(1))	\$340	\$4,191,500
Corrected on or before 30 days after required filing date (Section 6721(b)(1))	\$60	\$698,500
Corrected after 30th day but on or before August 1, 2027 (Section 6721(b)(2))	\$130	\$2,095,500

- (2) for persons with average annual gross receipts for the most recent three taxable years of \$5,000,000 or less, for failure to file correct information returns:

Scenario	Penalty Per Return	Calendar Year Maximum
General Rule (Section 6721(d)(1)(A))	\$340	\$1,397,000
Corrected on or before 30 days after required filing date (Section 6721(d)(1)(B))	\$60	\$244,500
Corrected after 30th day but on or before August 1, 2027 (Section 6721(d)(1)(C))	\$130	\$698,500

- (3) for failure to file correct information returns due to intentional disregard of the filing requirement (or the correct information reporting requirement):

Scenario	Penalty Per Return	Calendar Year Maximum
Return other than a return required to be filed under § 6045(a), 6041A(b), 6050H, 6050I, 6050J, 6050K, or 6050L ( § 6721(e)(2)(A))	Greater of (i) \$690, or (ii) 10% of aggregate amount of items required to be reported correctly	No limit
Return required to be filed under § 6045(a), 6050K, or 6050L ( § 6721(e)(2)(B))	Greater of (i) \$690, or (ii) 5% of aggregate amount of items required to be reported correctly	No limit
Return required to be filed under § 6050I(a) ( § 6721(e)(2)(C))	Greater of (i) \$34,930, or (ii) amount of cash received up to \$139,500	No limit
Return required to be filed under § 6050V ( § 6721(e)(2)(D))	Greater of (i) \$690, or (ii) 10% of the value of the benefit of any contract with respect to which information is required to be included on the return	No limit

### **.58 Failure to Furnish Correct Payee Statements.**

In the case of any failure relating to a statement required to be furnished in 2027, the penalty amounts under Section 6722 are:

- (1) for persons with average annual gross receipts for the most recent three taxable years of more than \$5,000,000, for failure to furnish correct payee statements:

Scenario	Penalty Per Return	Calendar Year Maximum
General Rule (Section 6722(a)(1))	\$340	\$4,191,500
Corrected on or before 30 days after required furnishing date (Section 6722(b)(1))	\$60	\$698,500
Corrected after 30th day but on or before August 1, 2027 (Section 6722(b)(2))	\$130	\$2,095,500

- (2) for persons with average annual gross receipts for the most recent 3 taxable years of \$5,000,000 or less, for failure to furnish correct payee statements:

Scenario	Penalty Per Return	Calendar Year Maximum
General Rule (Section 6722(d)(1)(A))	\$340	\$1,397,000
Corrected on or before 30 days after required furnishing date (Section 6722(d)(1)(B))	\$60	\$244,500
Corrected after 30th day but on or before August 1, 2027 (Section 6722(d)(1)(C))	\$130	\$698,500

- (3) for failure to furnish correct payee statements due to intentional disregard of the requirement to furnish a payee statement (or the correct information reporting requirement):

Scenario	Penalty Per Statement	Calendar Year Maximum
Payee statement other than a statement required under Sections 6045(b), 6041A(e) (in respect of a return required under Section 6041A(b)), 6050H(d), 6050J(e), 6050K(b), or 6050L(c) (Section 6722(e)(2)(A))	Greater of (i) \$690, or (ii) 10% of aggregate amount of items required to be reported correctly	No limit
Payee statement required under Sections 6045(b), 6050K(b), or 6050L(c) Section 6722(e)(2)(B))	Greater of (i) \$690, or (ii) 5% of aggregate amount of items required to be reported correctly	No limit

### ***.59 Failure to Comply with Information Reporting Requirements Relating to Qualified Opportunity Funds and Qualified Rural Opportunity Funds.***

In the case of any return required to be filed in 2027, the penalty amount under Section 6726 for failure to file a return in the time and manner prescribed for a qualified opportunity fund or qualified rural opportunity fund under Section 6039 is \$510 per day with a maximum penalty of \$10,000 per return (\$51,000 if the gross assets of the fund are greater than \$10,230,000). If the failure to file in the time and manner prescribed is due to intentional disregard, then the penalty is \$2,550 per day with a maximum penalty of \$51,000 per return (\$255,000 if the gross assets of the fund are greater than \$10,230,000).

### ***.60 Revocation or Denial of Passport in Case of Certain Tax Delinquencies.***

For calendar year 2026, the amount of a serious delinquent tax debt under Section 7345 is \$66,000.

### ***.61 Attorney Fee Awards.***

For fees incurred in calendar year 2026, the attorney fee award limitation under Section 7430(c)(1)(B)(iii) is \$260 per hour.

### ***.62 Periodic Payments Received Under Qualified Long-Term Care Insurance Contracts or Under Certain Life Insurance Contracts.***

For calendar year 2026, the stated dollar amount of the per diem limitation under Section 7702B(d)(4), regarding periodic payments received under a qualified long-term care insurance contract or periodic payments received under a life insurance contract that are treated as paid by reason of the death of a chronically ill individual, is \$430.

### ***.63 Qualified Small Employer Health Reimbursement Arrangement.***

For taxable years beginning in 2026, to qualify as a qualified small employer health reimbursement arrangement under Section 9831(d), the arrangement must provide that the total amount of payments and reimbursements for any year cannot exceed \$6,450 (\$13,100 for family coverage).

